

THE MINERAL INDUSTRY OF

ICELAND

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Owing to abundant hydroelectric and geothermal energy and the lack of domestic resources, the mineral industry of Iceland largely comprised metal production from imported materials. Iceland has few proven mineral resources, although deposits of diatomite were being developed. All production of industrial minerals, with the exception of diatomite, was used by local industries (table 1).

Because of geographic proximity to the European Union and

existing trade agreements, most of Iceland's trade was with Europe. The majority of the shares in the major mineral enterprises were held by the Government. The remaining enterprises were either foreign-owned and locally operated or, for smaller businesses, locally owned and operated (table 2).

For a more extensive coverage of the mineral industry of Iceland, see the 1998 Minerals Yearbook, volume III, Mineral Industries of Europe and Central Eurasia.

TABLE 1
ICELAND: PRODUCTION OF MINERAL COMMODITIES 1/

(Metric tons unless otherwise specified)

Commodity	1995	1996	1997	1998	1999 e/
Aluminum metal, primary 2/	100,101	103,800	122,900	173,400 r/	221,500 3/
Cement, hydraulic 4/	81,514	88,200	88,000 e/	107,067 r/	114,530 3/
Diatomite	28,142	25,600	26,000 e/	26,000 e/	26,000
Ferrosilicon	71,410	68,000	68,000 e/	50,000 e/	50,000
Nitrogen, N content of ammonia e/	8,800	9,000	9,000	8,000	8,500
Pumice and related volcanic material: e/					
Pumice	30,000	25,000	25,000	25,000	25,000
Scoria	500	500	500	500	500
Salt e/	4,000	4,000	4,000	4,000	4,000
Sand: e/					
Basaltic	cubic meters	1,300 3/	1,200	1,200	1,000
Calcareous, shell	do.	83,651 3/	82,000	82,000	80,000
Sand and gravel e/	thousand cubic meters	3,600	3,600	3,600	3,600
Silica dust e/ 5/		14,346 3/	14,000	14,000	12,000
Stone, crushed: e/					
Basaltic		91,000	90,000	90,000	90,000
Rhyolite	cubic meters	16,552 3/	16,500	16,500	16,500

e/ Estimated. r/ Revised.

1/ Table includes data available through March 2000.

2/ Ingot and rolling billet production.

3/ Reported figure.

4/ Sales.

5/ Byproduct of ferrosilicon.

TABLE 2
ICELAND: STRUCTURE OF THE MINERAL INDUSTRY IN 1999

(Thousand metric tons)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity
Aluminum	Icelandic Aluminium [ISAL], (Alusuisse-Lonza Holding Ltd., 100%)	Straumsvik	162
Do.	Nordic Aluminium Ltd. (Nordural) (Columbia Ventures Corp., 100%)	Grundartangi	60
Cement	Sementsverksmidja Rikisins (Government, 100%)	Akranes	115
Diatomite	Kisilidjan hf [Diatomite Plant Ltd.] (Government, 98%)	Myvatnssveit	27
Fertilizer	Aburdarverksmidja Rikisins (Government, 100%)	Gufunes	60
Ferrosilicon	Islenska jarnblendifelagid hf [Icelandic Alloys Ltd.] (Government, 55% and Elkem A/S, 30%)	Plant at Grundartangi	72
Pumice	Eldber hf (Jardenfnaidnadur hf, 51%)	Mount Hekla	210
Do.	Pumice Products Ltd. (BM Valla Ltd., 100%)	do.	32
Salt	Icelandic Salt Co. (Akzo NV of Netherlands, 58%)	Plant at Svartsengi	5